

FAUQUIER COUNTY BRIEFING PAPER BY JOHN P. GRZEJKA, PRTC CHAIRMAN
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READING
FILE

The eight jurisdictions that are currently part of VRE service contribute financial support and participate in the governance of the VRE system through two regional, multi-jurisdictional transit commissions. The eight jurisdictions are members of either the Northern Virginia Transportation Commission (NVTC) or the Potomac and Rappahannock Transportation Commission (PRTC). These commissions were created by the member local jurisdictions as permitted by the Commonwealth's Transportation District Act (15.2-4500) and both receive the proceeds of a two percent local motor fuels tax on all fuel sold within their borders as a result of a provision in the Commonwealth's tax code (58.1-1720). For NVTC's member jurisdictions, the two percent gas tax is entirely reserved for WMATA. In all of the cities and counties comprising PRTC, this levy raises a surplus of funds beyond what is currently needed for VRE; these funds are available for a variety of transportation projects. (e.g., commuter parking lots, bus service, road improvements, parking structure, airport access, etc.)

Should Fauquier County decide to join in VRE service, the County can choose from two alternatives, which are listed below.

1. Fauquier County could join the Potomac & Rappahannock Transportation Commission.

- A two percent motor fuels tax would automatically begin to be levied on motor fuel sold in Fauquier County.
- The County would become a member of the PRTC governing body (requiring an amendment to the PRTC founding ordinance) and would participate in the PRTC appointment process to the VRE Operations Board. That process requires PRTC to annually appoint three VRE Operations Board voting members from among the PRTC members supplemented by alternates as PRTC sees fit.
- Fauquier County would assume its obligation for PRTC's administrative expense and for VRE's local operating subsidy in accordance with 15.2-4500, the PRTC Founding Ordinance, and the VRE Master Agreement. PRTC's administrative expense is allocated by law based on the proportionate fuel tax yields of each member jurisdiction. VRE's local operating subsidy is allocated by the VRE Master Agreement using a formula that weights the residency of riders at 90% and jurisdictional population at 10%.
- Fauquier County's projected motor fuels tax yield is expected to be substantially greater than the combined PRTC/VRE financial obligation, leaving net revenues available for the County to use as it sees fit for allowable transportation purposes. Conservative fuel tax revenue projections based on per capital yields in existing member jurisdictions indicate that the annual yield in Fauquier would amount to \$1,429,000 million per year.

PRTC
Estimated Net Fuel Tax
Fauquier

Jurisdiction	Population*	FY04 Net Fuel Tax Collection	Revenue Per Capita	Average Revenue Per Capita
Prince William County	328,100	\$ 6,902,551	\$ 21.04	
Stafford County	109,700	\$ 2,406,683	\$ 21.94	
City of Manassas	37,100	\$ 835,060	\$ 22.51	
City of Manassas Park	12,400	\$ 672,595	\$ 54.24	
City of Fredericksburg	<u>20,600</u>	<u>\$ 1,198,677</u>	\$ 58.19	
Totals	507,900	12,015,566		\$ 23.66
Fauquier	60,400	\$ 1,429,064 est.	\$ 23.66	

*Source of population figures for PRTC member jurisdictions is 2003 provisional figures from Weldon Cooper Center. Used the same source for Fauquier population figures.

- In contrast, Fauquier's financial obligation to PRTC and VRE (based on the FY2005 budget and the use of the foregoing motor fuels tax projection) is \$31,000 and \$189,000, respectively, leaving \$1.2 million of net revenue for the County to use for other transportation purposes.

PRTC Admin Subsidy Calculation

PRTC Jurisdictions	FY03 Net Fuel Tax	Fuel Tax %	FY05 Admin Subsidy without Fauquier*	FY05 Admin Subsidy with Fauquier**	Savings
Plus Fauquier	plus Fauquier est	w/Fauquier			
Prince William	5,805,054	51.28%	142,183	124,234	17,949
Stafford	1,831,579	16.18%	44,861	39,198	5,663
Manassas	815,491	7.20%	19,974	17,452	2,522
Manassas Park	459,551	4.06%	11,256	9,835	1,421
Fredericksburg	979,229	8.65%	23,984	20,956	3,028
	9,890,904				
Fauquier (estimated revenue)	1,429,064	12.62%	0	30,583	(30,583)
Totals	11,319,968		242,258	242,258	

*FY05 admin subsidy without Fauquier is allocated based on the jurisdiction's share of total PRTC FY03 net fuel tax revenue.

**FY05 admin subsidy with Fauquier is allocated based on adding Fauquier's estimated net fuel tax revenue to the 5 PRTC jurisdictions' FY03 net fuel tax revenue.

- No legislative action on the part of the Commonwealth is required to join an existing commission.
2. Fauquier has the option to create its own transportation commission with or without other jurisdictions, with a statutory amendment to the Commonwealth's tax code permitting a two percent motor fuels tax to be levied in the third district. In this case there are two possible courses of action for implementing VRE service in Fauquier County:
- A "contract services" agreement as described above without representation on VRE's Operation Board, payable from the County's newly legislated two percent motor fuels tax; or
 - A change to the VRE governing structure in which three commissions rather than the two as at present have appointment and governing privileges over VRE.
 - The latter is the most complicated because it would necessitate a change to the VRE Master Agreement. A change to the VRE Master Agreement requires the unanimous assent of the signatories, and to date the signatories have been very reticent to entertain such changes.

VRE INITIAL COSTS, CAPITAL PROJECTS, & IMPROVEMENTS FUNDING

The “start-up capital costs” of VRE expansion to Fauquier County include the construction of rail stations, parking facilities, yard facilities, and 2nd track from Nokesville to Calverton and at terminal station. These cost mirror those that were incurred by member jurisdictions when service was established in 1992.

The initial costs to the County of expanding VRE could be offset by seeking public funds (state or federal) or by working to acquire proffers and support from local developers who would benefit from supporting transit options in Fauquier.

Potential Costs Associated with Expansion to Bealeton in 2005 Dollars

Construction Costs

(No source of capital funding at this time)

Track and Facilities

Seven (7) miles of 2nd track- Nokesville to Calverton	\$17,359,422
Station Track at Fauquier terminal station	\$1,193,460

Yard Facility

\$5,424,819

Station:

\$9,222,193

Three commuter stations, with single side platforms, surface parking

Subtotal

\$33,199,895

Fauquier County would need to assume the responsibility for formulating a capital funding plan, though VRE and its parent commissions would be in the position to lend their expertise and knowledge of the federal and state funding processes. The following points are possible funding opportunities:

- The plan could be a combination of federal, state and local funding;
- The federal share (if any) would have to be discretionary funds that Fauquier could seek as an earmark via your Congressional delegation- while VRE and its parent commissions can assist as noted earlier, the discretionary federal funding already being sought as a TEA-21 reauthorization earmark for other system-wide purposes (e.g., rolling stock) and/or member jurisdictional benefit purposes (e.g., Burke parking deck) are higher priorities and their Congressional delegation would need to be told that;

- State funding would be a portion of the non-federal share, most likely a proportionate share of the non-federal like all other capital investments statewide (noting that the state's share is currently 38%); and
- Local funding could be pay-as-you go or (more likely) debt-financed over a twenty (20) year period.

I recognize that without a sizable federal and/or state contribution towards this \$33.2 million cost, the extension is not financially feasible because it would require significantly more funding than the fuel tax funding the County stands to realize for many years to come even if the investment were debt financed. I also realize that the point about federal/state funding prospects seem somewhat dim (especially on the federal side), but I do not want to lead Fauquier down a primrose path – the simple truth is that federal funding prospects are not promising during the TEA-21 reauthorization period. State funding might be more promising depending upon what happens in the upcoming General Assembly session, with all signs pointing to the likelihood of new funding for transportation. If there is serious interest on Fauquier County's part, the County should make a pitch for this to state legislators representing Fauquier before the start of the upcoming session.

ANNUAL COSTS AND LOCAL SUBSIDIES FOR VRE

The annual costs of VRE service are primarily constituted by the expense of VRE operations: salaries, facilities, maintenance of the VRE system, and servicing financing for capital projects and major system improvements.

The cost of VRE service to jurisdictions is determined by first assessing the projected financial needs of VRE. Then, this cost is apportioned between the individual member jurisdictions through a formula that takes into account:

- The county's or city's population (given a 10% weight)
- The numbers of riders from that jurisdiction (given a 90% weight)
- And the "imputed fare revenue offset amount" (which credits more-distant counties and cities such as Fauquier by accounting for the greater distance and higher ticket cost that passengers from that farther municipality incur)

Based upon ridership figures from the most recent VRE ridership survey (October 2003), Fauquier's initial share of VRE operations cost would be approximately \$189,000 a year (assumes FY 2005 budgeted costs). With VRE's expansion into Fauquier, the share based on the FY 2005 budgeted cost would only be approximately \$139,000 (\$50,000 less if service expanded to Bealeton). When expansion was completed, the number of Fauquier riders would increase due to growth in the county's commuting population and the easier access to VRE that a Fauquier extension would provide. Therefore, Fauquier's share of the VRE operations cost would grow with ridership growth.

Annual Operating Costs

Operations: 4 trains north in AM & 4 trains south in PM

Additional crews costs	\$243,894
Additional yard crew	\$133,132
Yard maintenance and standby power	\$84,000
Station and yard office maintenance	\$28,000
Fuel for 8 trips/day (Bealeton to Broad Run)	\$176,400
Railroad Access (Bealeton to Broad Run): 8 trips/day @ 18 miles/trip	\$537,480

Subtotal	\$1,202,906
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Start-Up Costs

Administrative, marketing	\$56,000
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Subtotal	\$56,000
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Summary

Capital Costs	\$33,199,895
Operating Costs	\$1,258,906
Total Expenditures	\$34,458,801

Estimated Fare Revenue	\$1,119,810
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Net Capital Costs	\$33,199,895
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Net Operating Costs	\$139,096
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Assumptions being used:

Fauquier without extension

- Average fare at Broad Run was used to calculate fare revenue
- 203 riders currently classified as system riders become Fauquier riders

Fauquier with extension

- 4 peak trains in morning and afternoon
- 3 Stations
- 400 Additional riders (320 of those from Fauquier, the rest system riders)
- Average fare of \$5.43 used to calculate fare revenue (additional fare revenue of \$1,119,810)
- Additional operating costs of \$1,150,275
- No fare increases
- No additional riders, outside of those mentioned above